

# Bowdoin Finance Manual

## Procurement Policy for Federal Grant-Funded Purchases

Effective: April 1, 2007

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### 1. Purpose

The purpose of this policy is to ensure that goods and services purchased for the performance of a federal grant are obtained in a cost-effective manner and in compliance with federal regulations.

### 2. Scope

This policy applies to Principal Investigators and any designees (“buyer”) authorized to initiate purchases on behalf of a federal grant. This policy is not applicable to the general purchases of the College.

### 3. Responsibility

The Principal Investigator is responsible for determining whether a purchase is allowable under the terms of the federal grant and will ensure purchases are in accordance with this policy. The Grants Administrator will provide decision support upon request and the Controller’s Office will serve as the final repository for purchase transaction records under federal grants.

### 4. Code of Conduct

As representatives of the College, all employees (faculty and staff) are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgment. Employees are expected to be principled in their business interactions and act in good faith with individuals both inside and outside the campus community.

A full description of the College’s code of conduct is available in the [Employee Handbook](#).

### 5. Overview

To promote compliance with federal regulations, the College requires buyers to perform some measure of cost/price analysis when making purchases under federal grants. Buyers shall avoid purchasing unnecessary items. All vendor bids and quotations must be evaluated on the basis of product quality, technical compliance with specifications, total cost, and the vendor’s acceptance of the College’s terms and conditions. The vendor selection process for goods and services valued at \$5,000 or greater must be documented and stored as part of the transaction record.

## 6. Vendor Selection and Bidding Requirements

Buyers shall consider the following before making a vendor selection:

- Does the vendor provide the best mix of quality, service and price for the specified need? Federal regulations require that the lowest price have priority, unless quality, service or delivery time takes priority as to need.
- Does the vendor qualify as a small, disadvantaged, minority or women-owned business? Qualifying vendors should be given preference to the extent practical and economically feasible.
- Does the vendor supply products and services that conserve natural resources, are energy efficient and protect the environment? Vendors should be given preference, to the extent practical and economically feasible, for such products.

The level of bidding required and documentation to be submitted to the Controller's Office is determined by the dollar amount of the purchase.

	< \$5,000	Between \$5,000 and \$20,000	> \$20,000
Formal bid process required?	No	Yes	Yes
Acceptable forms of bids	n/a	verbal, published catalogues, written	written only
Minimum number of bids required	n/a	3	3
Submit bid documentation to the Controller's Office?	No	Yes	Yes
Complete a <a href="#">Vendor Selection Form</a> ?	not required	Yes	Yes
Analyze lease vs. buy options	not required	not required	Yes

### ***For purchases under \$5,000:***

Formal documentation of vendor selection is not required. Buyers are expected to conduct an informal cost/price analysis and select the vendor offering the best mix of quality, service and price for the specified need. Reasonable efforts shall be made to ensure fair and competitive pricing.

### ***For purchases from \$5,000 to \$20,000:***

A minimum of three (3) bids, written or verbal, are required. Each vendor must be provided with the same precise and accurate description of the specifications and technical requirements for the item or service. Web price lists and catalogue listings can be considered verbal bids.

Buyers must complete a [Vendor Selection Form](#). A copy of the completed form must be attached to the selected vendor's invoice and submitted to the Controller's Office for payment.

***For purchases \$20,000 and over:***

A minimum of three (3) **written** bids are required. Each vendor must be provided with the same precise and accurate description of the specifications and technical requirements for the item or service. Written bids may be received by mail, fax or email and should be signed/e-mailed by an authorized representative of the vendor. See Obtaining Competitive Bids below.

Buyers must complete a [Vendor Selection Form](#). A copy of the completed form and all written bids must be attached to the selected vendor's invoice and submitted to the Controller's Office for payment.

When lease options are available, an analysis of the lease versus buy option must be performed to determine which alternative would be the most economical and practical form of procurement. The Procurement and Risk Manager will assist buyers with a lease/buy analysis upon request.

**7. Obtaining Competitive Bids**

Solicitations for goods and services shall provide the following:

- A clear and accurate description of the technical requirements for the material, product, or service desired. The description shall not be designed to limit competitive solicitation from multiple vendors.
- Requirements that the bidder must fulfill and all other factors to be used in evaluating bids and proposals.
- A description of the technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- The specific features of "brand name or equal" descriptions that bidders are required to meet.
- To the extent practical, that products and service be dimensioned in the metric system of measurement.
- Preference, to the extent practical and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

Positive efforts shall be made to utilize small-business, minority-owned firms and women's business enterprises, whenever possible.

**8. Non-Competitive Vendor Selection**

Occasionally, a buyer is unable or chooses not to competitively bid the requirements. These situations are characterized as sole or single source transactions.

*Sole Source:*

No other vendor capable of fully meeting the requirements exists.

*Single Source:*

Alternative vendors exist in the competitive market, but the buyer chooses to solicit a bid from only one particular vendor because of technical requirements (precision, reliability) or past performance by other vendors (poor service, availability of parts).

Principal Investigators should seek approval from the granting agency prior to making a sole or single source purchase. In addition, the Principal Investigator must complete the [Vendor Selection Form](#) if the purchase is over \$5,000.

**9. Exceptions**

The *Controller* must approve any exceptions to this policy by written notice.

**10. Feedback**

Your feedback regarding this policy is appreciated. Please send an e-mail to the Controller if you have any comments, questions or suggestions.